

RECEIVED

NOV 22 2000

DIVISION OF  
OIL, GAS AND MINING

*m/045/049*

**Clifton Mining Company**

70 West Canyon Crest Rd. Suite D.

Alpine, Utah 84004

(801) 756-1414 Fax (801) 756-5454

November 21, 2000

D. Wayne Hedberg  
State Of Utah Department of Natural Resources  
Division Of Oil, Gas, and Mining  
PO. Box 145801  
Salt Lake City, UT 84114-5801

Dear Mr. Hedberg,

We are aware of the fact that the time frame on the mill bond is growing short and we are in receipt of your letter dated September 26, 2000. We are asking for an extension on our time frame to place the bond for the following reasons:

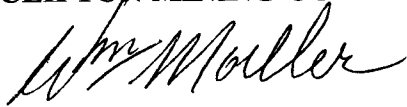
1) In the new letter (September 26<sup>th</sup>, 2000) you have increased the amount due on the bond by over 25% or in excess of \$10,000.00. We did not expect this increase and it has been causing us a considerable problem. Instead of increasing the bond to numbers 5 years in advance, why not just roll the interest from the CD back into the account as principle. By rolling the interest back into the account as additional principle and increasing the bond amount this way, it should cover both the escalation from inflation and also the contingency money. By setting it up this way it will cover us both, not only for the five years but also for however long the project runs. The longer the project runs, the higher the principle amount will be and also the higher the interest earned will grow, per interest period.

2) We also have a bond under the name of the Yellowhammer project, that totals \$17,600.00. We know that you have mandated that the new owners of the Yellowhammer property put up a bond to replace ours. We would like to roll the Yellowhammer bond money into the new mill bond account. This would help us supply over half of the money that we need for the new mill bond. We also have an additional \$10,000.00 still left in our Clifton account, most of it was left there to cover the east side of the property area (it is the area we call the Kiewit Zone. We have reclaimed a large portion of the Kiewit area already and wish to have it checked by Mr. Munson or whoever you would like. Then we would like to take the released portion of the Clifton bond and roll it into the new mill bond account. By doing this it will help us greatly. We have had a very hard time the last year raising money, because of the low prices of metals and as you know the mining industry as a whole has been

suffering. If we can extend our time frame to where we can roll these older (soon to be released) bonds into the new mill bond, then we should be able to pay the difference and as such be in your good graces again. As always we thank you for the time you spend in our behalf.

Sincerely,

**CLIFTON MINING COMPANY**

A handwritten signature in black ink, appearing to read "Wm Moeller", written in a cursive style.

William D. Moeller, President

WDM/kwm

: